



# CITY OF HAYWARD

## AGENDA REPORT

AGENDA DATE 05/11/99  
AGENDA ITEM 3  
WORK SESSION ITEM \_\_\_\_\_

**TO:** Mayor and City Council

**FROM:** Director of Community and Economic Development

**SUBJECT:** Execution of a Cooperation Agreement Between the City of Hayward and the County of Alameda to Participate in the Alameda County HOME Consortium

### RECOMMENDATION:

It is recommended that the City Council:

1. Approve continued participation in the Alameda County HOME Consortium for a three-year period including federal fiscal years 2000 through 2002 (October 1, 2000 through September 30, 2002); and
2. Authorized the City Manager to execute the Cooperation Agreement and all other implementing documents to enable participation in the HOME Consortium.

### BACKGROUND:

Since 1991, the City of Hayward has been part of a consortium including the County of Alameda, the cities in the County and the unincorporated County, excluding Berkeley and Oakland. Hayward's participation in the Alameda County HOME Consortium has assured the City of an allocation of HOME Investment Partnership funds since FY 1992. HOME funds must be used to create affordable housing for lower income households. HOME program regulations require that 90% of HOME funds be used to assist households with incomes at or below 60% of the area median income adjusted for household size.

In 1995, the City Council approved using HOME as a funding source for housing programs implementing the City's 70% homeownership goal's second objective:

*To maintain and enhance existing neighborhoods – through provision of assistance to homeowners and rental property owners for maintenance and improvement of their properties.*

The purpose of the multifamily rental programs is to upgrade and improve the appearance and maintenance of properties that create blight in the neighborhood so that the neighborhood will be attractive to potential homebuyers. In order to meet the City's 70% homeownership goal and enhance neighborhood stability, existing single family housing stock in these neighborhoods will need to be converted from rental to owner-occupancy. Although the City of Hayward has a

number of programs to assist first-time buyers purchase homes in Hayward, buyers are extremely reluctant to purchase homes in areas where the rental properties are not well-maintained. Rental programs were developed to make neighborhoods attractive for homeownership and improve neighborhood stability. As part of the 1995 Homeownership Strategy, City Council approved the use of HOME funds for the acquisition and rehabilitation of rental properties, particularly those that were abandoned or boarded up or are in a significant state of disrepair.

In order to have sufficient funds to improve a critical mass of properties in a given area to make a difference in a neighborhood, the City must accumulate several years' allocation of HOME funds. To date, the City has spent its FY 1992 allocation for development of the Glen Berry Apartments sponsored by Eden Housing and its FY 1993, 1994 and \$59,102 of its FY 1995 allocation for Eden Housing's acquisition and rehabilitation of the Harris Court properties, totalling approximately \$1 million. That leaves a total of approximately \$2.2 million to implement the rental programs. Below is a chart that shows Hayward's HOME funds available through the Alameda County HOME Consortium.

Fiscal Year	Available HOME Funds
1995	\$389,705
1996	\$462,380
1997	\$454,908
1998	\$483,933
1999	*\$497,501
TOTAL	\$2,288,427

*\*Funds not available unit after July 1, 1999*


Staff recommends that the City Council approve continued participation in the Alameda County HOME Consortium. Participation in the Consortium ensures that the City receives an allocation of federal HOME program funds each year. Recommendations regarding use of the funds will be presented at a later date in conjunction with the identification of a specific use or project.

Prepared by:



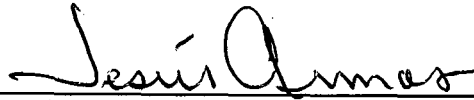
Ann R. Bauman  
Community and Economic Development  
Administrator

Recommended by:



Sylvia Ehrenthal, Director of Community  
and Economic Development

Approved by:

  
\_\_\_\_\_  
Jesús Armas, City Manager

Attachments: A. Consortium Agreement  
Resolution

## AGREEMENT

This AGREEMENT is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_ 1999, by and between the CITY OF HAYWARD, hereinafter called "City," and the COUNTY OF ALAMEDA, hereafter called "County."

WHEREAS, the Congress of the United States has enacted the Cranston Gonzalez National Affordable Housing Act of 1990 and Federal regulations have been adopted pursuant thereto, hereinafter called the "ACT"; and

WHEREAS, Title II of the Act creates the Home Investment in Affordable Housing Program, hereinafter called "HOME," that provides funds to states and local governments for acquisition, rehabilitation, new construction of affordable housing and tenant-based rental assistance; and

WHEREAS, the Act requires local governments to formulate a Consolidated Plan as part of the eligibility requirements for HOME funds; and

WHEREAS, funds from Title II are distributed to metropolitan cities, urban counties, States, and consortia of local governments;

WHEREAS, the Act allows local governments to form consortia for the purpose of receiving and administering HOME funds and carrying out purposes of the Act;

WHEREAS, The Act requires that a local government member of an urban county may participate in a consortium only through the urban county, and the County of Alameda is the lead agency of the Alameda County Urban County; and

WHEREAS, the Act requires that a consortium shall have one member unit of general local government authorized to act in a representative capacity for all members for purposes of the Act and to assume overall responsibility for the Act, including requirements concerning the Consolidated Plan;

THEREFORE, it is agreed that:

1. CITY and COUNTY will cooperate in the forming of the Alameda County HOME Consortium, hereinafter called the "CONSORTIUM", for the purpose of undertaking or assisting in undertaking HOME-eligible housing assistance activities pursuant to Title II of the Act including but not limited to acquiring, rehabilitating, and constructing affordable housing, and providing home buyer and tenant-based rental assistance.
2. COUNTY shall act as the representative member of the CONSORTIUM for purposes of the Act.

3. CITY shall have thirty (30) calendar days to approve the portions of the Consolidated Plan which pertain to CITY before COUNTY submits final Consolidated Plan to the U.S. Department of Housing and Urban Development. COUNTY shall incorporate CITY changes in Consolidated Plan, if any, provided that they meet HOME requirements.
4. CITY shall approve each project funded with HOME funds within CITY before COUNTY approves funding project with HOME funds, provided that CITY approval or disapproval does not obstruct the implementation of the approved Consolidated Plan.
5. There shall be a Technical Advisory Committee for the Consortium to recommend spending priorities, policies, and review projects and proposed expenditures. CITY shall designate a staff member to participate on the Technical Advisory Committee.
6. CITY shall designate a representative to whom all notices and communications from COUNTY shall be directed. COUNTY'S duty to notify CITY shall be complete when the communication is sent to the designated representative. It is the exclusive duty of the designated representative to notify the appropriate individuals or departments within CITY.
7. To carry out activities under this Agreement, COUNTY shall allocate to CITY a portion of HOME funds received under the Act. Initial allocations shall be determined by a formula approved by the Technical Advisory Committee for the CONSORTIUM. If necessary to meet HOME requirements, funds will be reallocated by COUNTY in accordance with such needs, objectives, or strategies as COUNTY shall decide. In preparing such needs, objectives, or strategies, COUNTY shall consult with CITY and Technical Advisory Committee before making its determinations.
8. Each party to this agreement shall affirmatively further fair housing.
9. CITY shall pay COUNTY an annual fee to help defray COUNTY's costs to administer the Consortium and perform the monitoring, record-keeping, and reporting required by the Act. Such fee shall be based upon COUNTY's expected actual cost and shall in no case exceed five percent (5%) of the CITY's annual allocation of HOME funds. Such fee shall be separate from any fee required to prepare the Consolidated Plan.
10. CITY shall provide COUNTY with all information concerning CITY and the activities CITY carried out under this agreement which COUNTY requires to prepare 1) documents required to be submitted to HUD, 2) annual HOME performance report, 3) such other documents as COUNTY may require to carry out eligible housing activities or meet Federal requirements. All information shall be submitted on forms prescribed by COUNTY. In addition, CITY agrees to make available upon request all records concerning the activities carried out under this agreement for inspection by COUNTY or Federal officials during regular business hours.
11. Pursuant to Government Code Section 895.4, CITY shall defend, indemnify, and hold harmless COUNTY, its officers, employees, and agents from all claims, suits, actions or losses of any type, and from liability for any fines, penalties or damages of any type, resulting from

CITY's performance of this Agreement and caused by any act or omission of CITY, including failure to comply with any requirement of the Act or the Program described herein, except to the extent that any such claims, suits, actions, losses, or liability arise from any act or omission of COUNTY.

12. Pursuant to Government Code Section 895.4, COUNTY shall defend, indemnify, and hold harmless CITY, its officers, employees, and agents from all claims, suits, actions or losses of any type, and from liability for any fines, penalties or damages of any type, resulting from COUNTY's performance of this Agreement and caused by any act or omission of COUNTY, including failure to comply with any requirement of the Act or the Program described herein, except to the extent that any such claims, suits, actions, losses, or liability arise from any act or omission of CITY.

13. Each CITY participating in the Alameda County HOME CONSORTIUM shall defend, indemnify, and hold harmless all other participating CITIES for CITY's negligent acts or omissions arising from this agreement.

14. This Agreement shall go into effect immediately upon the signature of both parties and shall continue in full force and effect until all activities funded from Federal fiscal years during which CITY was a participating jurisdiction in the CONSORTIUM are completed. CITY will be included in the Consortium for a minimum of three (3) Federal fiscal years, fiscal years 2000, 2001 and 2002.

IN WITNESS WHEREOF, the parties hereto have executed this contract on the day first mentioned above.

CITY OF HAYWARD

COUNTY OF ALAMEDA

\_\_\_\_\_  
City Manager

\_\_\_\_\_  
Community Development Director

APPROVED AS TO FORM:

APPROVED AS TO FORM:

Kelvin C. Booty  
County Counsel

\_\_\_\_\_  
City Attorney

By: \_\_\_\_\_  
Deputy County Counsel

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**DRAFT** JB 4/20/99

HAYWARD CITY COUNCIL

RESOLUTION NO. \_\_\_\_\_

Introduced by Council Member \_\_\_\_\_

RESOLUTION APPROVING CONTINUED  
PARTICIPATION IN THE ALAMEDA COUNTY HOME  
CONSORTIUM AND AUTHORIZING CITY MANAGER  
TO EXECUTE THE HOME CONSORTIUM  
COOPERATION AGREEMENT WITH ALAMEDA  
COUNTY

BE IT RESOLVED by the City Council of the City of Hayward that continued participation in the Alameda County HOME Consortium is hereby approved for a three-year period including federal fiscal years 2000 through 2002 (October 1, 2000 through September 30, 2002) and the City Manager is authorized and directed to execute on behalf of the City of Hayward the HOME Consortium Cooperation Agreement between the City of Hayward and the County of Alameda in substantially the form attached hereto as Exhibit "A."

IN COUNCIL, HAYWARD, CALIFORNIA \_\_\_\_\_, 1999

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST: \_\_\_\_\_  
City Clerk of the City of Hayward

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney of the City of Hayward